

HOUSE BILL REPORT

HB 1663

As Reported by House Committee On: Judiciary

Title: An act relating to creating relocation assistance rights for nontransient residents of hotels, motels, or other places of transient lodging that are shut down by government action.

Brief Description: Creating relocation assistance rights for nontransient residents of hotels, motels, or other places of transient lodging that are shut down by government action.

Sponsors: Representatives Goodman, Springer, Simpson, Roberts, Miloscia, Nelson, Ormsby and Santos.

Brief History:

Committee Activity:

Judiciary: 2/18/09, 2/19/09 [DPS].

Brief Summary of Substitute Bill

- Grants relocation assistance rights to tenants of transient lodging.

HOUSE COMMITTEE ON JUDICIARY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Pedersen, Chair; Goodman, Vice Chair; Rodne, Ranking Minority Member; Flannigan, Kelley, Kirby, Ormsby, Roberts and Warnick.

Minority Report: Do not pass. Signed by 2 members: Representatives Shea, Assistant Ranking Minority Member; Ross.

Staff: Courtney Barnes (786-7194)

Background:

If a governmental agency notifies a landlord that a dwelling is condemned or unlawful to occupy due to the existence of conditions that violate applicable codes or regulations, the landlord may not enter into any rental agreement for the dwelling until the conditions are corrected. If the landlord enters into a rental agreement with a new tenant prior to correcting

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the conditions, the tenant is entitled to three months rent or up to treble the actual damages sustained. The tenant is also entitled to the costs of suit or arbitration and reasonable attorneys' fees. If the tenant elects to terminate the tenancy or is required by an appropriate governmental agency to vacate the premises, the tenant may recover the entire amount of any deposit paid to the landlord and all prepaid rent.

A landlord who knew or should have known that a dwelling would be condemned or be unlawful to occupy is required to pay relocation assistance to displaced tenants. Relocation assistance consists of the following:

- the greater amount of \$2,000 per dwelling unit or three times the monthly rent; and
- the entire amount of any deposit prepaid by the tenant and all prepaid rent.

Landlords must pay relocation assistance and any prepaid deposit or rent to displaced tenants within seven days of the governmental agency sending notice of the condemnation, eviction, or displacement order. The landlord may pay relocation assistance to the displaced tenants individually or to the governmental agency ordering the condemnation or eviction. A local government may advance the cost of relocation assistance payments and assess interest and penalties if a landlord fails to pay displaced tenants in a timely manner. The governmental agency that notifies a landlord of condemnation must notify the displaced tenants that they may be entitled to relocation assistance.

Relocation assistance is not required to be paid by the landlord if the condemnation or no occupancy order results from conditions:

- caused by illegal conduct by a tenant or any third party without the landlord's prior knowledge;
- arising from a natural disaster; or
- created by the acquisition of the property by eminent domain.

Summary of Substitute Bill:

A person who has lived in a hotel, motel, or other place of transient lodging for 30 or more consecutive days is deemed to be a tenant for the purpose of relocation assistance even though the living arrangements are exempt from the Residential Landlord-Tenant Act. The tenant living in a place of transient lodging must be there with the knowledge and consent of the owner, manager, clerk, or other agent representing the owner. Landlords providing transient lodging must pay relocation assistance directly to displaced tenants.

An interruption in occupancy primarily intended to avoid relocation assistance does not affect the ability of the person residing in a place of transient lodging to receive relocation assistance. An oral or written occupancy agreement that waives the ability of a transient tenant to receive relocation assistance is against public policy and unenforceable.

Substitute Bill Compared to Original Bill:

The substitute bill requires the owner of transient lodging to pay relocation assistance directly to displaced tenants.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The bill is a little fix to a very big problem. The Legislature passed a law a number of years ago that requires landlords to pay relocation assistance to tenants who are displaced from their residence due to condemnation or eviction. There is no similar assistance for people living in hotels or motels for extended periods of time. The bill provides relocation assistance to tenants of transient lodging. Under the current law, hotels and motels that are closed due to health code violations have no duty to provide relocation assistance, which leaves people in a very vulnerable position. Tenants living in transient lodging face homelessness if their lodging is condemned. These tenants typically do not have the resources or the time to find alternate living arrangements if they are ordered to leave because of a safety or health code violation. The Residential Landlord-Tenant Act does not apply to residents of transient lodging. The bill grants residents of transient lodging relocation assistance rights without changing the exemption that excludes them from the other provisions of the Resident-Landlord Tenant Act.

(Opposed) None.

Persons Testifying: Representative Goodman, prime sponsor; Andy Guy; and Beverley Beal.

Persons Signed In To Testify But Not Testifying: None.